

Transportation Revenue Forecast Council

June 2009 Transportation Economic and Revenue Forecasts

Volume I: Summary Document

Washington Transportation Economic and Revenue Forecast June 2009 Forecast

Summary Report (Volume I)

Preface	3
Forecast Overview	3
Economic Variables Forecast	5
Summary Transportation Revenue and Distribution Table	6
Motor Fuel Price Forecast	9
Motor Vehicle Fuel Tax Forecast	12
Motor Vehicle Revenue (Licenses, Permits and Fees)	14
Driver Related Revenue Forecasts	16
Other Transportation Related Revenue Forecast	17
Vehicle Sales and Use Tax	17
Rental Car Sales Tax	17
Business and Other Revenue	17
Aeronautics Taxes and Fees	18
Ferry Revenue	18
Toll Revenue	19
Federal Funds	20
Forecast Contacts	21

Forecast Tables (Volume II)

Motor Vehicle Fuel	24
Motor Vehicle Related Revenue Forecast (Licenses, Permits, and Fees)	40
Driver Related Revenue Forecasts	58
Other Transportation Related Revenue Forecasts	67
Vehicle Sales and Use Tax	67
Rental Car Tax	67
Business and Other Revenue	67
Aeronautics Taxes and Fees	67
Washington State Ferries Ridership and Revenue Forecast	76
Toll Operations and Revenue Forecast	81
Federal Funds Forecast	90

Forecast Confidence bands (Volume III)

Motor Vehicle Fuel Revenue and LPF Forecast Confidence Bands	102
---	-----

Alternative Forecast Scenarios (Volume IV)

Alternative Gasoline Optimistic Forecast	110
Alternative Ferry Scenarios	114
Alternative Federal Funds Scenario	122

Preface

Washington law mandates the preparation and adoption of economic and revenue forecasts. The organizations primarily responsible for revenue forecasts are the Economic and Revenue Forecast Council and the Office of Financial Management. The Office of Financial Management has the statutory responsibility to prepare and adopt those forecasts not made by the Economic and Revenue Forecast Council (RCW 43.88.020). The Office of Financial Management carries out its forecast responsibilities for transportation revenues through the Transportation Revenue Forecast Council. Each quarter, technical staff of the Department of Licensing, Department of Transportation and the Office of Forecast Council, produces forecasts. The revenue forecasts agreed upon by the Transportation Revenue Forecast Council members become the official estimated revenues under RCW 43.88.020 21.

Transportation Forecast Summary

Forecast Overview

Here are key conclusions from the June 2009 transportation revenue forecast.

- June 2009 transportation forecast of revenues: \$2.03 billion for fiscal year 2009 and \$4.08 billion in the current biennium (0.2% below the prior forecast)
- June forecast has decreased from the prior forecast for all years through 2018 and then the current forecast is slightly above the prior forecast for the remainder of the 16-year forecast horizon
- Overall transportation revenue is down (\$6 million in 2007-09 biennium and \$64 million in the 2009-11 biennium) with the major revenues sources (gasoline and diesel tax and licenses, permits and fees) causing the majority of the decline
- The weakening of the state economy has negatively impacted Washington personal income and higher projections of fuel prices in the near term which has resulted in lower transportation revenues
- The primary driver in the loss in fuel taxes in the near term has been the decline in diesel fuel consumption due to the severe economic recession
- In the 2009-11 and subsequent biennium, gas tax projections of a little more than \$1 billion per year have fallen due to higher than anticipated fuel prices and lower personal income (\$29 million or 1.36% for the 2009-11 biennium over the prior forecast)
- Diesel tax revenue is down \$7.6 million (1.45%) for the current biennium and \$19.4 million (3.7%) for the 2009-11 biennium over the March forecast
- Ferry fare revenue is up \$1 million in the current biennium and down slightly in the upcoming 2009-11 biennium by \$114,000 from the prior forecast. Total farebox and miscellaneous ferry revenue is up \$1.6 million in the current biennium and up \$1.1 million in the 2009-11 biennium over the prior forecast due primarily to nonfarebox revenue.

In FY 2009, total state transportation revenues are forecast at \$2.03 billion which is \$28.5 million or -1.4% below the prior forecast. In FY 2010, transportation revenues are projected to be \$2.09 billion which is a 3.1% increase over the prior fiscal year as the economy begins to recover from the recession. Higher gas prices as well as lower personal income forecasts have dropped the future biennia gas tax projections. FY 2010 transportation revenues are projected to be \$56.4 million below the prior forecast. The difference between the June 2009 and the prior forecast are highest in FY 2010 and decreases slowly in the subsequent fiscal years until FY 2018. After that, the June forecast of transportation revenues is above

the prior forecast. Over the entire 16-year forecast horizon, the transportation revenue forecast for June is down 0.9% over the March forecast.

Figure 1 Total Transportation Revenues Comparison
June 2009 forecast vs. March 2009 forecast
millions of dollars

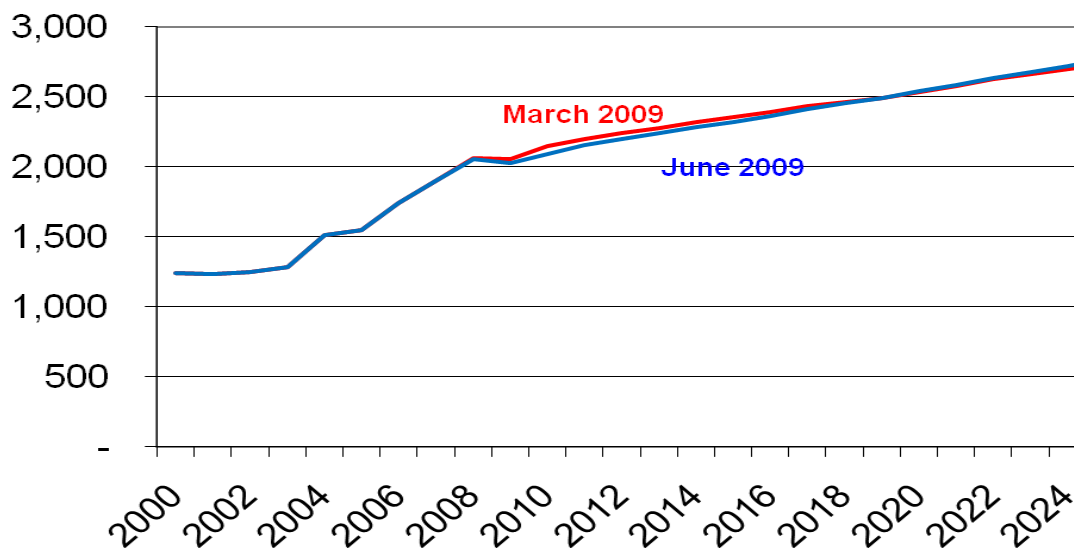
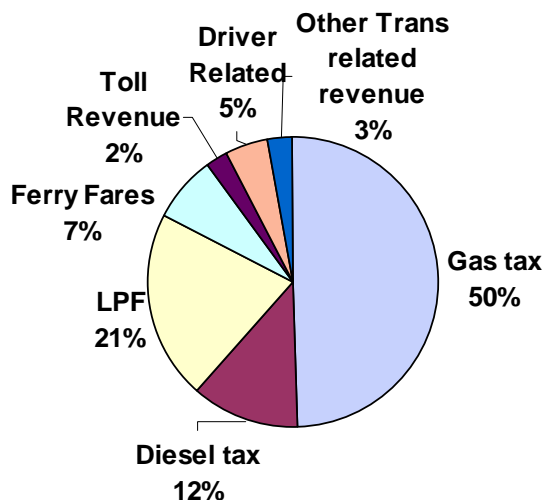


Figure 2 Revenue by Source
June 2009 forecast for 2009-11 biennium



Washington's state transportation revenues come from numerous taxes, fees, permits, tolls, other revenues. Washington's transportation revenues forecasted each quarter includes the revenue sources contained in Figure 2. This pie graph reveals the share of each state revenue source to the total transportation revenues forecasted (\$4.244 billion) in June 2009 for the 2009-11 biennium. Gasoline fuel taxes comprise the share of all transportation revenue at 50% of all transportation revenue in the 2009-11 biennium. With the addition of diesel fuel taxes, all motor vehicle fuel taxes comprise 62% of all transportation revenues. Licenses, permits and fee revenues comprise the second largest share at 21%

of all transportation revenues in the 2009-11 biennium. The largest three revenue sources (gasoline and diesel fuel taxes and licenses, permits and fees) are projected to consist of 83% of state transportation revenues in the 2009-11 biennium. The remaining 17% consists of ferry fares, toll revenue, driver related revenue and other transportation related revenue.

Figure 3 Forecast to Forecast Biennium Comparison of All Transportation Revenues
June 2009 forecast
millions of dollars

Forecast to Forecast Comparison for Transportation Revenues and Distributions June 2009 • Millions of Dollars									
	Current Biennium 2007-09			2009-11			16-Year Period (2007-2023)		
	Forecast Jun-09	Chg from Mar-09	Percent Change	Forecast Jun-09	Chg from Mar-09	Percent Change	Forecast Jun-09	Chg from Mar-09	Percent Change
Sources of Transportation Revenue									
Motor Vehicle Fuel Tax Collections	2,494	(7)	-0.3%	2,609	(48)	-1.8%	22,251	(300)	-1.3%
Licenses, Permits and Fees	886	(1)	-0.1%	897	(1)	-0.1%	7,853	7	0.1%
Ferry Revenue†	300	2	0.5%	314	1	0.3%	3,079	(31)	-1.0%
Toll Revenue	76	0.5	0.7%	105	(12)	-10.3%	1,368	(13)	-0.9%
Aviation Revenues	5	(0.4)	-7.6%	5	(0.7)	-11.1%	44	(5)	-10.4%
Rental Car Tax	47	0.4	0.9%	43	1	2.7%	480	(1)	-0.1%
Vehicle Sales Tax	62	(1)	-2.3%	58	(6)	-9.8%	650	(24)	-3.5%
Driver-Related Fees	186	1	0.7%	198	1	0.7%	1,671	19	1.2%
Business/Other Revenues	16	(0.4)	-2.7%	14	1	8.3%	120	6	5.6%
Total Revenues	4,072	(7)	-0.2%	4,244	(64)	-1.5%	37,516	(340)	-0.9%
Distribution of Revenue									
Motor Fuel Tax Refunds and Transfers	151	11	7.5%	126	(3)	-2.5%	1,160	(9)	-0.8%
State Uses									
Motor Vehicle Account (108)	1,071	(8)	-0.8%	1,086	(12)	-1.1%	9,335	(76)	-0.8%
Transportation 2003 (Nickel) Account (550)	345	(2)	-0.6%	360	(6)	-1.8%	3,077	(38)	-1.2%
Transportation 2005 Partnership Account (09H)	513	(3)	-0.7%	600	(10)	-1.7%	5,047	(65)	-1.3%
Multimodal Account (218)	234	0	0.0%	228	(4)	-1.7%	2,235	(12)	-0.5%
Special Category C Account (215)	48	(0.3)	-0.7%	49	(0.9)	-1.8%	419	(6)	-1.4%
Puget Sound Capital Construction Account (099)	35	(0.2)	-0.7%	36	(0.7)	-1.8%	305	(4)	-1.4%
Puget Sound Ferry Operations Account (109)	358	1	0.4%	375	0.3	0.1%	3,602	(36)	-1.0%
Tacoma Narrows Bridge Account (511)*	75	0.5	0.7%	104	(12)	-10.4%	1,329	(12)	-0.9%
High Occupancy Toll Lanes Account (09F)*	0.5	0	0.3%	2	0	1.3%	40	(1)	-2.8%
Aeronautics Account (039)	5	(0.4)	-7.6%	5	(0.7)	-11.1%	44	(5)	-10.4%
State Patrol Highway Account (081)	313	(0.2)	-0.1%	324	(1)	-0.4%	2,843	0	0.0%
Highway/Motorcycle Safety Accts. (106 & 082)	157	1	0.6%	166	0.5	0.3%	1,398	13	1.0%
Other accounts (201, 06T, 097, 09E, 216, 07C)	21	0	0.2%	16	0	0.1%	140	0.3	0.2%
Total for State Use	3,177	(12)	-0.4%	3,350	(47)	-1%	29,814	(241)	-0.8%
Local Uses									
Cities	183	(1)	-0.7%	189	(3)	-1.8%	1,609	(22)	-1.4%
Counties	300	(2)	-0.6%	309	(6)	-1.8%	2,637	(36)	-1.4%
Transportation Improvement Board (112 & 144)	195	(1)	-0.7%	202	(4)	-1.8%	1,719	(24)	-1.4%
County Road Administration Board (102 & 186)	66	(0.4)	-0.7%	68	(1)	-1.8%	578	(8)	-1.4%
Total for Local Use	744	(5)	-0.7%	768	(14)	-1.8%	6,543	(90)	-1.4%
Total Distribution of Revenue	4,072	(7)	-0.2%	4,244	(64)	-1.5%	37,516	(340)	-0.9%

+ Fares plus non-farebox revenue

* 2007-09 is the first biennium to include Tacoma Narrows Bridge toll revenue; November 2008 was the first forecast to include HOT Lanes toll revenue; March 2009 is the first forecast to include revenue from transponder sales, violation fines and fees

Economic Variables Forecast

Several economic variables are used in forecasting Washington's transportation revenues each quarter. Key economic variables include the following: Washington personal income, population, inflation, oil price index, fuel efficiency, US sales of light vehicles and Washington driver in-migration.

WA Personal Income

In the June 2009 forecast, based on the **June** Global Insight forecast, the Economic and Revenue Forecast Council has lowered their annual percentage change in Washington personal income since the last forecast in March. In the current forecast, the annual percent change in Washington personal income is -0.1% for FY 2009 versus the last forecast at .5%. For FY 2010, the current forecast essentially assumes a slight decline from FY 2009 at -0.3% versus the March forecast which projects a 1.8% growth. In the near-term, this current forecast of Washington personal income is more pessimistic on the

economy than previous forecasts. On a quarterly basis, the June 2009 forecast is approximately 2% below the projections for Washington personal income beginning in the second quarter of FY 2009 and grows to 2.6% below the March forecast by the fourth quarter of 2011. In the long-term the June 2009 forecast of Washington personal income annual growth is up slightly with the new long-term growth rates for Washington personal income updated by the Office of Financial Management compared to the growth rates in the last forecast in March.

WA Population

The Washington forecast for population by OFM did not change from the prior forecast.

U.S. Inflation

The U.S. inflation rate forecast is from Global Insight's June 2009 projection. The U.S. inflation rate as measured by the implicit price deflator (IPD) is slightly higher in the near term for FY 2009 and FY 2010 than the last forecast. For FY 2009, the change in the IPD is projected to be 1.8% which is an increase of 42% from 1.2% in the March 2009 forecast. In FY 2010, the current change in the IPD is 1.1% which is an increase from -0.3% in the prior forecast. For subsequent years until FY 2014, the June inflation rate is slightly below the March inflation rate forecast, within 0.2%. In the remaining years until FY 2025, the June 2009 forecast for changes in inflation are slightly below the March forecast.

U.S. Oil and Gas Price Index

The June 2009 Global Insight forecast for U.S. oil and gasoline price index is higher than the prior forecast in the near term for fiscal years 2009-11. The annual fiscal year to fiscal year change in this fuel price index is -18.5% for FY 2009 which is nearly identical to the March forecast. In FY 2010, the change in the US fuel price index is -16.2% which is a 26% increase from the -22% projection in the March forecast. This reveals that in the near term, fuel prices are not projected to decline as fast as anticipated in the last forecast. In FY 2011, the change in the US fuel price index is 7.8% which is 42% below the 13.5% projection in the March forecast. This indicates that once the economic recession is over, fuel prices are not projected to rise as fast as anticipated in the last forecast. In subsequent years after FY 2011, the June growth rates in the US fuel price index are below the growth rates in the March forecast which reveals that the current projections for future increases in fuel prices will not be as rapid over the remainder of the forecast horizon.

U.S. Fuel Efficiency (MPG)

The rate of change in fuel efficiency has not changed significantly from the November 2008 forecast. There is no change between the June and March forecast of US fuel efficiency in miles per gallon.

U.S. Sales of Light Vehicles

Sales of light vehicles throughout the U.S. have declined significantly, 32%, between fiscal years 2008 and 2009. In 2010, sales of light vehicles are projected to begin to recover but the fiscal year change between 2009 and 2010 is still down 2.7%. The big recovery is projected to occur in FY 2011.

WA Driver In-Migration

Washington's projected growth of new drivers in the state is 0.4% between FY 2008 and 2009 and is forecasted to improve very minimally to 0.7% from FY 2009 and FY 2010. The fiscal year over year growth for 2011 is projected to be 0.9% and then decline slowly in subsequently years until FY 2020. In FY 2021 and beyond, there is no change in the forecast for Washington driver in-migration.

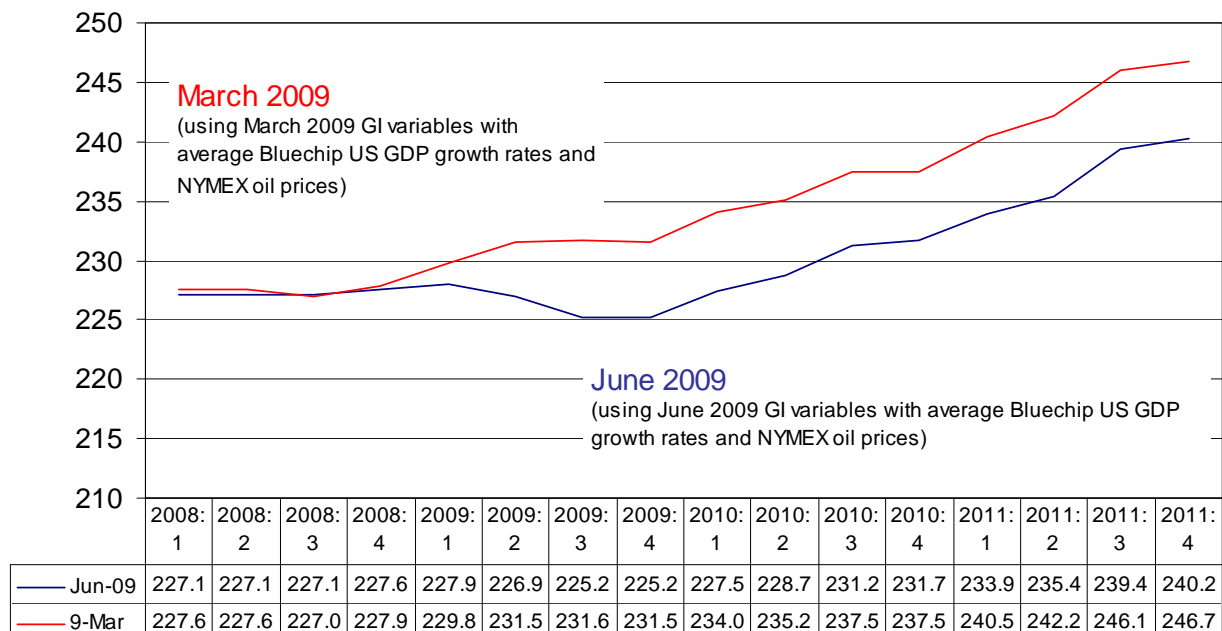
**Figure 4 Annual Percentage Change (%) in Select Economic Variables
June 2009 forecast**

Fiscal Year	WA Personal Income	Annual Population	U.S. General Prices (IPD)	U.S. Oil & Gas Price Index	U.S. Fuel Efficiency (MPG)	U.S. Sales of Light Vehicles (CY)	WA Driver In-Migration
2008	3.6	1.8	3.2	20.8	0.6	-6.2	-13.8
2009	-0.1	1.8	1.8	-18.5	1.3	-31.8	0.4
2010	-0.3	1.6	1.1	-16.2	1.0	-2.7	0.7
2011	2.8	1.6	2.0	7.8	1.3	24.8	0.9
2012	3.6	1.6	1.8	13.2	1.5	17.4	0.6
2013	2.9	1.5	1.8	9.5	1.6	8.6	-0.4
2014	3.0	1.5	1.7	10.3	1.7	4.4	-0.6
2015	3.1	1.4	1.7	3.3	1.8	2.8	-1.0
2016	3.4	1.3	1.8	3.2	1.9	1.8	-0.8
2017	3.4	1.3	1.9	3.1	1.9	-1.6	-0.4
2018	3.4	1.2	1.9	3.1	2.0	-1.3	-0.2
2019	3.4	1.2	1.9	3.0	2.0	-0.4	-0.1
2020	3.4	1.2	1.8	1.5	2.1	2.7	-0.1
2021	3.2	1.1	1.8	-0.8	2.1	2.6	0.0
2022	3.1	1.1	1.7	-2.2	2.0	0.2	0.0
2023	3.1	1.1	1.8	-0.4	2.0	0.5	0.0
2024	3.1	1.1	1.9	1.3	1.9	0.5	0.0
2025	3.1	1.1	1.8	1.1	1.8	1.2	0.0

Source: Washington Economic and Revenue Forecast Council, Washington Office of Financial Management and June 2009 Global Insight forecast

**Figure 5 Washington Quarterly Real Personal Income Comparison
June 2009 vs. March 2009 forecast**

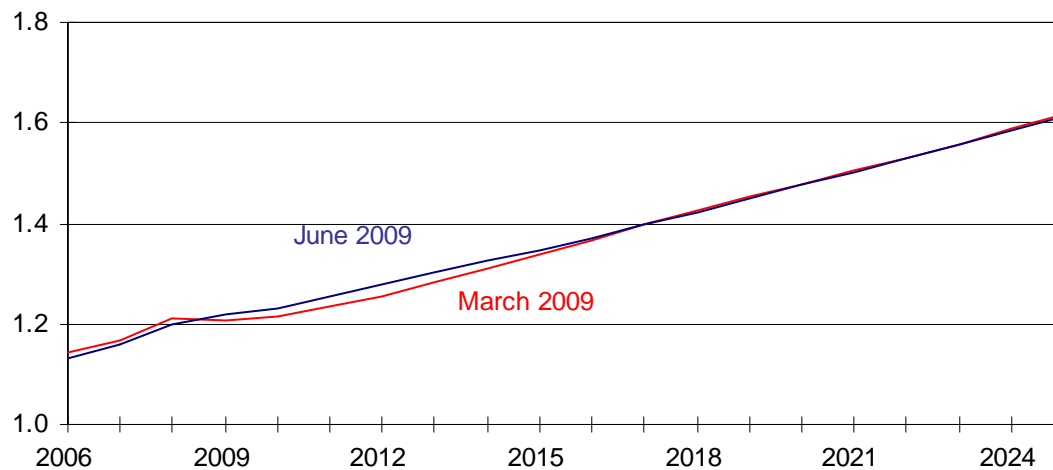
billions of dollars



Source: Washington Economic and Revenue Forecast Council

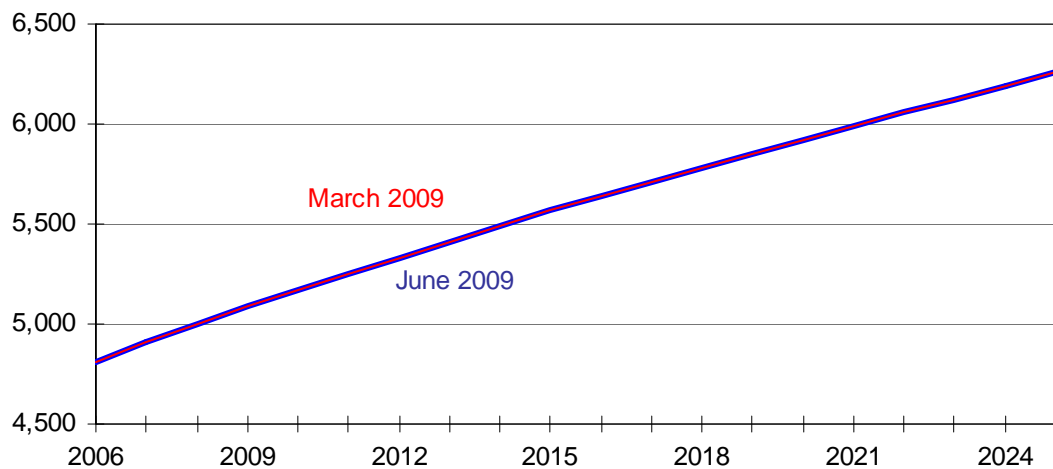
Figure 6 Inflation Comparison – U.S. Implicit Price Deflator for Personal Consumption
June 2009 forecast vs. March 2009 forecast

base year 2000 = 1.00



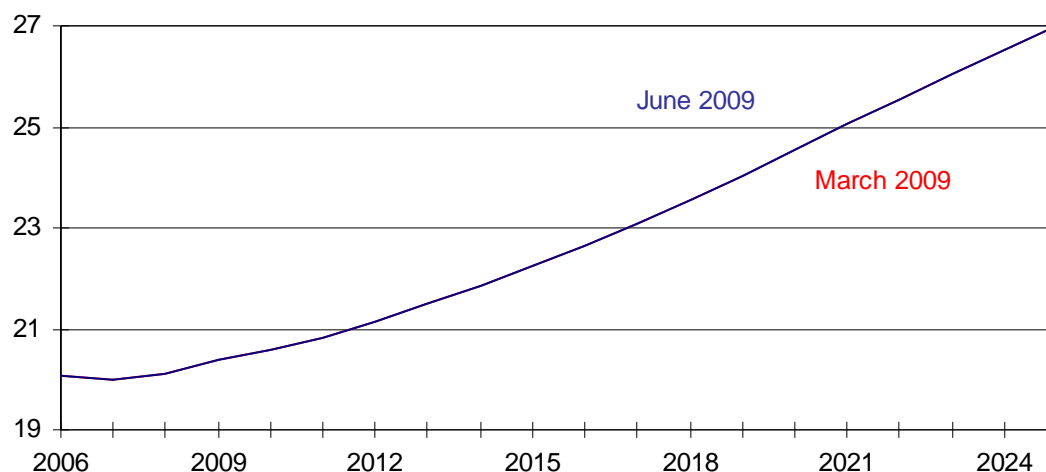
Source: Washington Economic and Revenue Forecast Council and June 2009 Global Insight forecast

Figure 7 Population Comparison – Age 18 and Over
June 2009 forecast vs. March 2009 forecast
in thousands



Source: Washington Office of Financial Management

Figure 8 U.S. Light Duty Vehicle Fleet Efficiency Comparison
June 2009 forecast vs. March 2009 forecast
miles per gallon



Source: June 2009 Global Insight forecast

Motor Fuel Price Forecast

Washington's transportation revenues are affected by fuel prices. In particular, gasoline tax collections are negatively related to the price of gasoline. In addition, the Washington State Department of Transportation budget is heavily impacted by changes in fuel prices. Therefore, projections of fuel prices are made quarterly to assist in the near and long-term budgeting process for WSDOT. The price forecast includes the following fuel price projections: U.S. West Texas crude oil, Washington retail prices of gasoline, diesel and biodiesel and wholesale price of diesel without taxes.

The June 2009 fuel price forecasts are up for the near and long term compared to the March forecast.

Source of data for forecast

For the Washington retail price of gasoline, the actual fuel prices are collected from the Energy Information Administration (EIA) survey of retail prices for all grades of gasoline in the state. For the retail price of diesel, the actual prices are collected from AAA's weekly publication of retail prices for diesel in Washington. The actual wholesale diesel prices are reported by the Washington State Ferries. In the short term, the fuel price forecasts are based on the Energy Information Agency (EIA) projections. In the long-term beyond 2010, the fuel price projections are based on Global Insight's oil and fuel price and producer price index (PPI) for petroleum products projections from June 2009 forecast. The wholesale price of diesel is forecasted in the long-term based on Global Insights June 2009 forecast of PPI for refined petroleum products.

U.S. crude oil price trend

U.S. crude oil prices of West Texas Intermediate Crude (WTI) are projected to be up in FY 2009 to an average of \$69 per barrel versus \$62.5 per barrel estimate in March. Due to the higher fuel prices in recent months, oil prices are projected to remain fairly constant in the near term. In the long-term, crude oil prices are expected to hit over \$100 per barrel beginning in FY 2017, which is the same year as in the prior forecast. Crude oil prices are not expected to fall below \$100 per barrel over the remainder of the forecast horizon. In the long-term after FY 2020, the current price forecast for crude oil is slightly below the March crude oil price forecast.

Washington retail price of gasoline trend

Washington retail price of gasoline is projected to be up 3% over the prior forecast for FY 2009. Retail gas prices in Washington are projected at an average of \$2.83 per gallon versus \$2.76 per gallon in March for FY 2009. In FY 2010 retail gasoline prices in Washington are projected to be \$2.79 per gallon, which is 21% higher than March's gas price forecast. In the long-term, gasoline prices are expected to rise faster and further than prior forecasts due to expanding global demand for oil after the current

recession ends. In addition, this June fuel price forecast does not have gasoline prices falling significantly after FY 2019, like in the March forecast. This June 2009 Washington retail gas price is projected to hit a peak price of \$4.69 in FY 2020 and then fall slightly in the remaining years of the forecast period. The level of the gas price peak reached in FY 2020 in this current forecast is 10% higher than the price peak projected in the prior forecast.

Washington retail price of diesel trend

Washington's retail price of diesel is projected to average \$3.23 per gallon in FY 2009 which is 5% higher than projected in the last forecast. The price differential between retail gas and diesel has been declining recently. In FY2009, on average the price differential between retail gas and diesel is projected to be \$0.30. This is lower than the price difference on average in FY 2008 which was \$ 0.42. The current forecast for retail diesel prices in Washington are to rise faster than projected in the March 2009 forecast.

Washington wholesale price of WSF diesel fuel trend

The trend in Washington's wholesale price of diesel is similar to the trend of the retail price of diesel. Washington's wholesale price of diesel, excluding fuel taxes, which is a forecast to estimate the diesel cost to Washington State Ferries has also increased 6% to \$2.23 per gallon for FY 2009 as opposed to \$2.11 per gallon in March. In FY 2010, the wholesale price of diesel is expected to decrease but not by as much as projected in March. In the June forecast, the average wholesale diesel price is 63% higher at \$2.10 per gallon compared to \$1.29 per gallon in the March forecast for FY 2010.

Biodiesel price trend

The forecast of the retail price of biodiesel is based on surveys found in the EIA Clean Cities Alternative Fuel Price Reports, www.eere.energy.gov/afdc/price_report.html. These reports are conducted quarterly and include West regional biodiesel prices. The Washington biodiesel price forecast is for B99/B100. This forecast is based on the West regional prices adjusted to include Washington's retail prices with and without federal and state taxes. According to the latest survey in January 2009, the West biodiesel price was more than 40% above the West coast regular diesel price. In examining the price differential between biodiesel and regular diesel over a longer time period, an average price differential of 12.5% was determined. This percentage was used as the long-term price differential between the WA retail diesel prices versus biodiesel prices in Washington.

Figure 9 Forecast of Washington Retail Gasoline Prices, All Grades
June 2009 forecast vs. March 2009 forecast and baseline forecast
price per gallon

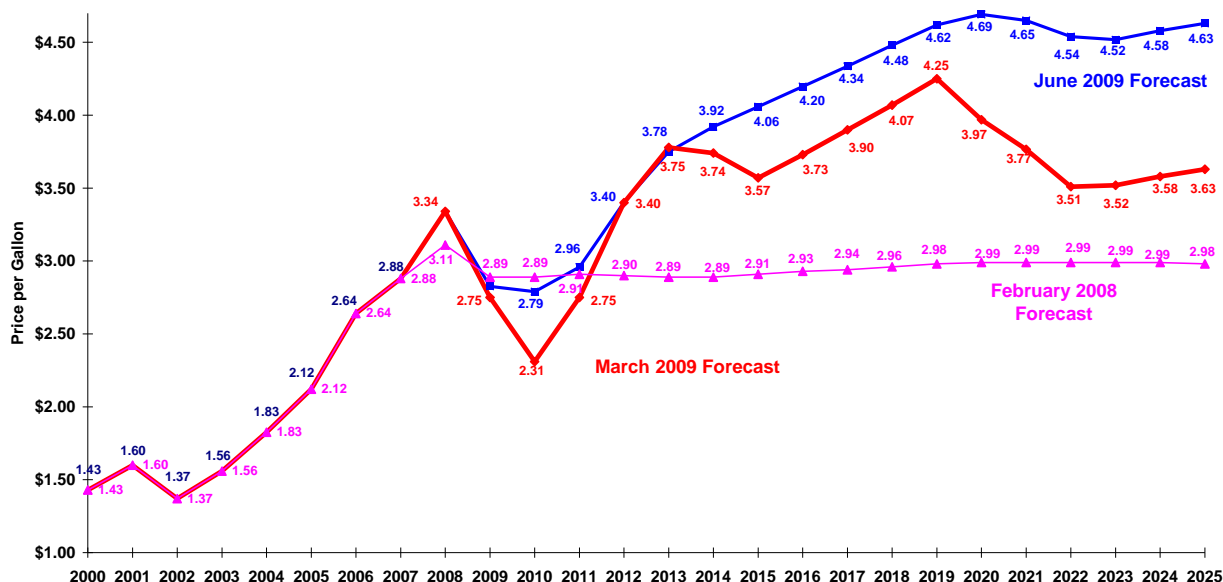


Figure 10 Near-term Quarterly Fuel Prices
June 2009 forecast

Fiscal Year Quarter	Crude Oil Price (\$/barrel)	WA Retail Gasoline Price (\$/gal)	WA Retail Diesel Price (\$/gal)	Ex-tax Wholesale Diesel Price (\$/gal)	Biodiesel Price with tax (\$/gal)	Biodiesel Price Ex tax (\$/gal)
2008: Q3	118.05	4.08	4.63	3.57	5.13	4.57
2008: Q4	58.35	2.51	3.13	2.06	5.08	4.52
2009: Q1	40.16	2.13	2.53	1.46	3.64	3.08
2009: Q2	56.00	2.59	2.63	1.88	3.48	2.92
FY 2009	68.21	2.83	3.23	2.23	4.33	3.77
2009: Q3	64.00	2.88	2.87	2.12	3.32	2.76
2009: Q4	63.00	2.72	2.78	2.06	3.32	2.77
2010: Q1	63.00	2.73	2.81	2.08	3.29	2.73
2010: Q2	63.67	2.84	2.92	2.16	3.42	2.86
FY 2010	63.42	2.79	2.84	2.10	3.34	2.78
2010: Q3	64.67	2.89	2.94	2.18	3.32	2.76
2010: Q4	66.33	2.79	2.90	2.15	3.22	2.66
2011: Q1	58.00	2.75	2.94	2.17	3.28	2.72
2011: Q2	62.50	3.41	3.12	2.31	3.63	3.07
FY 2011	62.88	2.96	2.98	2.20	3.36	2.80

Figure 11 Near- and Long-term Annual Fuel Price
June 2009 forecast

Fiscal Year	Crude Oil Prices (\$/barrel)	WA Retail Gasoline Price (\$/gal)	WA Retail Diesel Price (\$/gal)	Ex-tax Wholesale Diesel Price (\$/gal)	Biodiesel Price with tax (\$/gal)	Biodiesel Price Ex tax (\$/gal)
2008	97.03	3.34	3.76	2.90	3.80	3.24
2009	69.55	2.83	3.23	2.23	4.33	3.77
2010	66.55	2.79	2.84	2.10	3.34	2.78
2011	64.38	2.96	2.98	2.20	3.36	2.80
2012	71.58	3.40	3.49	2.58	3.84	3.28
2013	82.94	3.75	3.94	2.92	4.45	3.89
2014	88.32	3.92	4.17	3.08	4.82	4.26
2015	92.60	4.06	4.34	3.21	5.03	4.47
2016	96.84	4.20	4.52	3.34	5.24	4.68
2017	101.08	4.34	4.70	3.47	5.44	4.88
2018	105.47	4.48	4.88	3.61	5.66	5.09
2019	109.69	4.62	5.06	3.74	5.85	5.29
2020	111.79	4.69	5.15	3.81	6.01	5.45
2021	110.18	4.65	5.09	3.76	5.96	5.40
2022	106.36	4.54	4.94	3.65	5.79	5.23
2023	105.30	4.52	4.90	3.63	5.75	5.19
2024	106.77	4.58	4.98	3.68	5.84	5.28
2025	107.94	4.63	5.04	3.73	5.91	5.35

Motor Vehicle Fuel Tax Forecast

The June 2007-09 biennium forecast for gasoline tax collection is \$2.49 billion. This fuel tax forecast is projected to decline by \$7.15 million (-0.3%) in the current biennium when compared to the forecast prepared in March. Motor fuel tax revenues for the 2009–11 biennium are projected to be approximately \$2.61 billion, which is -1.82% or approximately \$48.4 million less than the March forecast. The overall reduction in motor fuel tax revenue for the 16-year period ending in 2023-25 biennium is down \$342.7 million when compared to the March 2009 revenue forecast.

Gasoline tax revenue

The year over year growth between 2008 and 2009 of gasoline consumption has been -.6%. The June forecast for gasoline consumption is 2,772 million gallons for FY 2010 which is a 3% increase over the FY 2009 consumption level. The June gasoline consumption level for FY 2010 has been reduced 0.7% over the March gasoline consumption projection. In FY 2011, gasoline consumption is projected to be 1.9% higher than in FY 2010, which is a 1.4% reduction from the March forecast.

Gasoline tax revenue collections are forecasted to be \$1.9748 billion which is up slightly by \$488,160 (0.02%) over the March forecast of \$1.9743 billion for 2007-09 biennium. Gasoline tax revenue is projected to fall \$29 million or 1.36% for the 2009-11 biennium over the prior forecast. This forecasted drop in gas tax collections is due to higher projections of fuel prices and lower forecasts of personal income.

Diesel tax revenue

The year over year growth between 2008 and 2009 of diesel consumption has been -16.4%. The June forecast for diesel consumption is 669 million gallons for FY 2010 which is a 3% increase over the FY 2009 consumption level. The June diesel consumption level for FY 2010 has been reduced by 3.2% over the March diesel consumption projection. In FY 2011, diesel is projected to be 2% higher than in FY 2010, which is a 4% reduction from the March forecast.

Diesel tax collections are down \$7.6 million (1.45%) over the March forecast for the current biennium. Tax collections in April, May and June have come in below the current forecast. In addition, diesel tax revenue is down \$19.4 million for the 2009-11 biennium, or 3.7%. The outer biennia diesel tax revenues are down but by a smaller percentage than 3.7%.

Primary reasons for the forecast changes

- Higher retail fuel prices are projected in FY 2009 and FY 2010 and all other subsequent fiscal years with the exception of 2014 where the gas price is projected to be the same as under March 2009. The higher fuel prices will dampen fuel tax collections more than anticipated in prior forecast.
- Slower projections for Washington real personal income growth are seen in this June forecast over the prior forecast.
- End result is lower gasoline tax projections and also lower diesel tax collections due to the weakening economy with a net loss in total motor vehicle fuel tax revenues
- Fuel tax reduction for the 2009-11 biennium is split between a decline in gasoline and diesel tax revenue

Motor fuel tax refunds

Non-highway refunds for gasoline and diesel fuel are accounted for in the motor fuel tax forecast. These refunds reduce net motor fuel tax distributions. There was one month of unexpected higher non-highway refund which was due to a taxpayer mistakenly paying fuel taxes twice which explains the higher than anticipated refunds for the current biennium. Overall non-highway refunds for the 2007-09 biennium are up \$11.7 million from the prior forecast. In the upcoming and subsequent biennia, refunds are down slightly due to the decline in the gallons consumed forecast declining. The snowmobile refund forecast was updated for this June 2009 forecast. This resulted in a decline in the amount of refunds for snowmobiles by 11.7% in the 2009-11 biennium and the percentage decline dropped slightly in subsequent biennia to 9.6% by 2023-25 biennia. This decline in snowmobile refunds is due to the recent recession and a decline in snowmobile registrations.

Figure 12 Gasoline Motor Fuel Consumption Comparison
June 2009 forecast vs. March 2009 forecast
millions of gallons

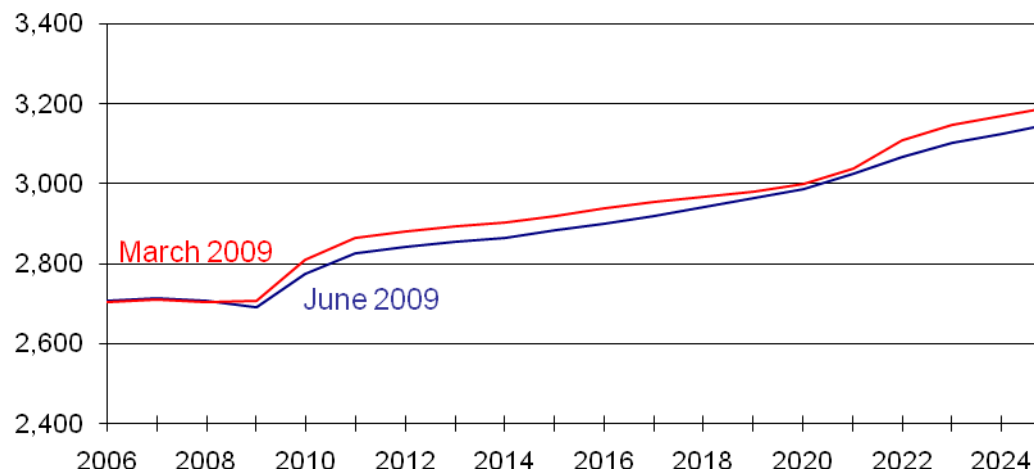


Figure 13 Diesel Motor Fuel Consumption Comparison
June 2009 forecast vs. March 2009 forecast
millions of gallons

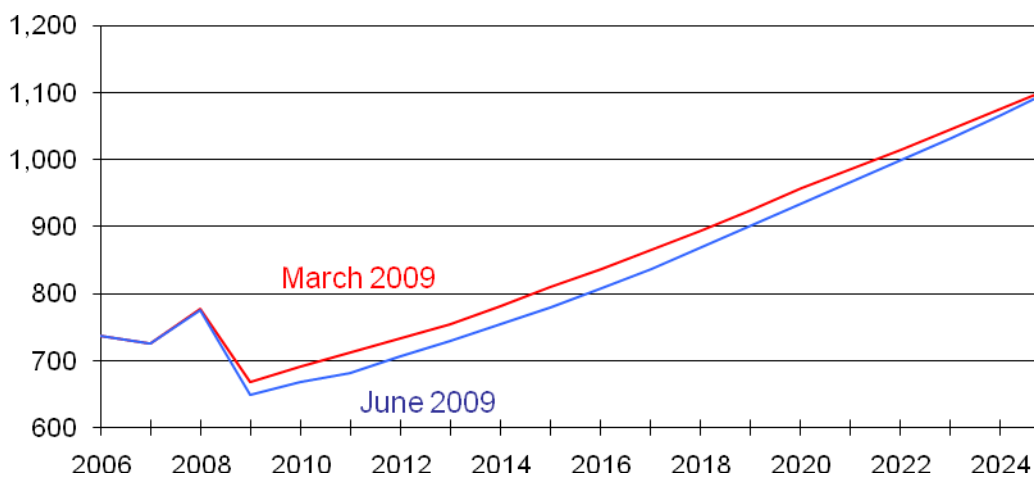


Figure 14 Short-term Motor Fuel Tax Forecast – By Month of Collection
June 2009 forecast
millions of dollars

	FY 2008	FY 2009	2007-09 Biennium	FY 2010	FY 2011	2009-11 Biennium
Gasoline Taxes	\$967.6	\$1,007.3	\$1,974.9	\$1,041.2	\$1,059.8	\$2,101.0
Special Fuel Taxes	276.6	242.4	519.0	251.3	256.7	508.0
Total Fuel Revenue	\$1,244.2	\$1,249.7	\$2,493.9	\$1,292.5	\$1,316.5	\$2,609.0
% Change from Prior Fcst	0%	-0.6%	-0.3%	-1.8%	- 1.9%	-1.8%

Motor Vehicle Revenue (Licenses, Permits and Fees)

There are minor changes in the June 2009 licenses, permits and fees (LPF). Overall, licenses, permits and fee revenue is down \$807,503 for the current biennium over the prior forecast. In the upcoming 2009-11 biennium, revenue projections are down \$1,295,100 from the prior forecast. The primary reasons for the slightly lower forecast is a decline in vehicle inspection fees of -\$1.59 million and -\$1.2 million in vehicle dealer temporary permits for the current biennium compared to the prior forecast.

Trends in registrations

Car and truck growth from 2008 to 2009 is -3.4% for cars and -4.2% for trucks. Afterwards, year to year growth rates for 2010 and 2011 are also slightly lower. In 2012, the forecast shifts to population growth and the June 2009 forecast is approximately 0.2% for passenger cars and .1% for trucks below the March forecast each year for the 16-year forecast period. Even though cars and trucks are down slightly in this June forecast, the number of registrations of motor homes and travel trailers are up from the prior forecast. In past forecasts, these registrations have been lowered and this is an adjustment upward to reflect higher than anticipated registration numbers.

Trends in LPF revenue

Due to the higher than anticipated LPF revenue collections, the LPF forecast has been raised slightly for vehicles paying the \$30 basic fee by \$634,570 (0.2%) in the current biennium from the last forecast. Due to the lower projections of Washington personal income, subsequent biennia show a very slight decline in the forecast for \$30 passenger vehicles ranging from \$238,055 (0.08%) in 2009-11 biennium to \$241,154 (0.07%) by 2023-2025.

Combined license fee (CLF) vehicle revenues are also up in the current biennium, by \$404,877 (0.1%) from stronger than anticipated collections. In subsequent biennia, CLF fees are down minimally by \$459,204 (0.13%) in 2009-11 biennium and declining slightly to \$443,583 (0.10%) by 2023-25.

Dealer temporary permits are down \$1.2 million in the current biennium and \$2.3 million in the upcoming 2009-11 biennium, representing a decline of 22% from the prior forecast in light of recent bankruptcy filings, and planned restructuring in the automotive industry as well as recessionary conditions. Considering the upcoming closures of motor vehicle dealerships, the vehicle business licenses are anticipated to decline by \$232,600 (7.93%) in 2009-11 biennium.

In addition to the changes in the passenger and truck registration fees, the June forecast had growth in the motor home weight fees and the personal trailers registration fees over the prior forecast. This is due to higher projections of motor homes and personal trailers.

Primary reasons for the forecast changes

- The last three months of actual registrations for FY 2009 came in higher than forecasted in March
- The Economic and Revenue Forecast Council lowered income level and growth rates for 2010 and 2011 when compared to the March forecast
- Since growth rates driving the short-term vehicle forecasts are lower, projected vehicle registrations are lower in the upcoming biennia in this forecast than in March
- The recessionary economy is driving the decline in certain other fees besides passenger and truck registration fees
 - Vehicle inspection fees (2007–09 -\$1.59 million or 12%)
 - Dealer temporary permits (2007-09 -\$1.2 million or 16%)
 - DOT special permit fees (2007-09 -\$476,124 or 2.8%)
 - Trip permit administrative fees and surcharge (2007–09 -\$399,449 or 6.1%)
 - Plate replacement fees (2007-09 -\$387,200 or 1.4%)
 - Title fees (2007-09 -\$305,500 or 1.5%)
- There are a couple forecasts which were brought down in the past and are being brought up to correct for the prior forecast adjustment
 - Personal trailers: (2007–09 \$976,695 or 8.4%)
 - Motor home weight fees: (2007-09 \$810,921 or 8.2%)

Figure 15 Passenger Car Comparison
June 2009 forecast vs. March 2009 forecast
millions of vehicles

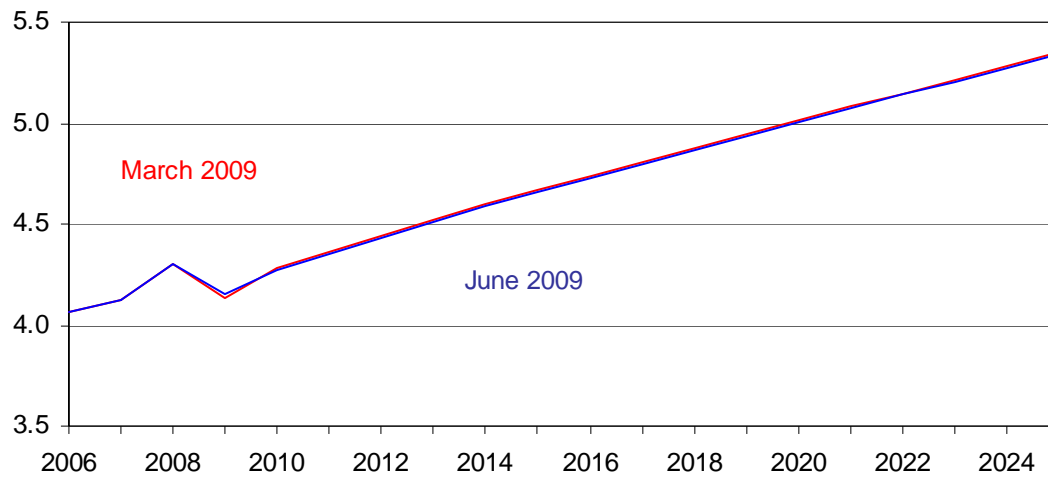


Figure 16 Truck Comparison
June 2009 forecast vs. March 2009 forecast
millions of vehicles

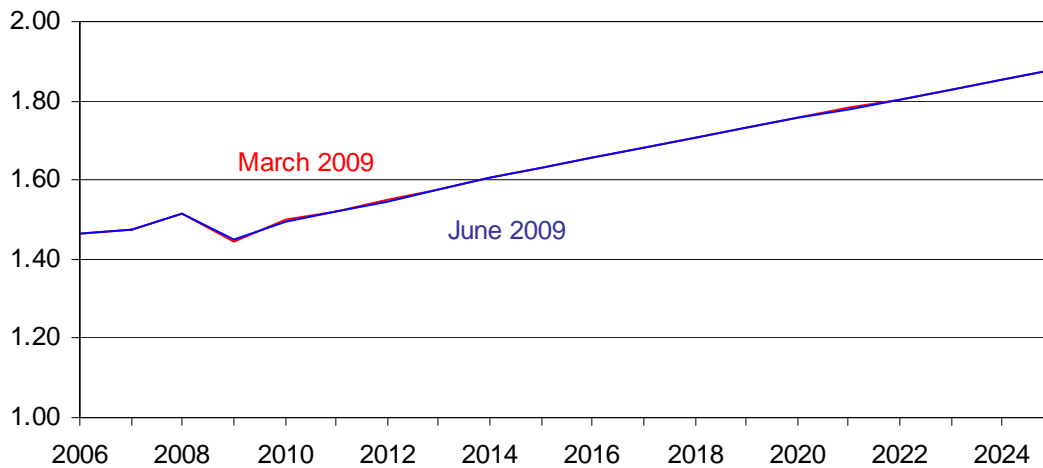


Figure 17 Short-term Motor Vehicle Related Revenue (Licenses, Permits and Fees)
June 2009 forecast
millions of dollars

	FY 2008	FY 2009	2007-09 Biennium	FY 2010	FY 2011	2009-11 Biennium
Basic \$30 License Fee	\$144.6	\$139.1	\$283.7	\$143.1	\$145.9	\$289.0
Combined License Fee	173.5	166.7	340.2	172.3	174.8	347.1
All Other Fees	135.5	126.5	262.0	128.5	132.0	260.5
Total LPF Revenue	\$453.6	\$432.3	\$885.9	\$443.9	\$452.7	\$896.6
% Change from Prior Fcst			-.09%			-.14%

Driver Related Revenue Forecasts

The June 2009 forecast of driver related revenue forecasted by the Department of Licensing includes the following revenues: drivers license fees, motorcycle operator fees, copies of records, motor vehicle filing fees, fines and forfeitures and drivers license schools. These fees are deposited into the highway safety fund account, motorcycle safety education fund and the state patrol account. In the June forecast, total driver related revenue totaled \$185.9 million in the current biennium. This forecast is an increase of \$1.3 million or .71% over the prior forecast. In the 2009-11 biennium, the June forecast of driver related revenue is \$197.5 million, up \$1.3 million or .66% from the March forecast.

Driver's Licenses and Revenue Trends

Original driver licenses are forecasted to decline by 1.7% between fiscal year 2008 and 2009 and rebound back in FY 2010 with a year over year growth rate of 3.1%. This is a 7.2% decline from the prior forecast for FY 2009. Driver license renewals are projected to grow at 21% between 2008 and 2009. This is a growth of 1.1% from the prior March forecast. In FY 2010, driver license renewals are projected to grow 12% year over year which is a 3.5% increase from the prior forecast. The revenue projected from drivers licenses fees is projected to grow in the current biennium by \$404,700 and then decline in the subsequent 2009-11 biennium by \$761,000. In outer year biennia, the fees from driver licenses are projected to be up \$1.4 million or 1.2% over the March forecast.

Abstracts of Driver Record and Revenue Trends

Sale of Abstracts of Driver Record (ADR) is deposited into both the Highway Safety Fund and the State Patrol account. The ADR forecast for FY 2009 has shown a year over year growth of 10.6%. This is a 3.3% increase over the March 2009 forecast the current fiscal year. In FY 2010, the ADRs are projected to be up 1.4% over FY 2009 level and this forecast is 2.7% above the prior forecast. In subsequent biennia, the forecast for ADRs has been increased by 2.2% over the prior forecast. The corresponding revenue from the copies of record fee is up \$300,000 in the current biennium and up \$723,030 or 2% in the 2009-11 biennium over the prior forecast.

The State Patrol Highway Account receives \$5 of the sales of ADR. In the current biennium, the state patrol account is anticipated to receive \$29.2 million which is an increase of \$342,100 over the prior forecast. In the 2009-11 biennium, the state patrol account is projected to have an increase of \$767,520 over the March forecast. The Highway Safety Fund receives about \$2 million more per biennium than State Patrol Account as it also gets program operation related fees such as driver record monitoring fee.

Motor Vehicle Filing Fees Trends

The motor vehicle filing fees are deposited into the Highway Safety fund. For the June 2009 forecast, the motor vehicle filing fees are forecasted at \$3.92 million and these fees are up by \$76,500 in the current biennium and up \$61,500 in the 2009-11 biennium representing a growth of 1.8% over the prior forecast.

Fines & Forfeitures Trends

The fines & forfeiture fees are deposited into the Highway Safety fund. For the June 2009 forecast, the fines & forfeiture fees are forecasted at \$0.69 million and these fees are down by \$3,700 in the current biennium and up \$26,100 or 3% in the 2009-11 biennium.

Drivers License Schools Trends

The drivers license school fees are deposited into the Highway Safety fund. For the June 2009 forecast, the drivers license school fees are forecasted at \$0.20 million and these fees are down by \$2,160 in the current biennium and up \$38,600 or 18% in the 2009-11 biennium. This increase is due to recent legislative changes pertaining to the licensing of these schools.

Motorcycle Safety Education Account Trends

The Motorcycle Safety Education Account receives revenue from the following sources: motorcycle license endorsements, motorcycle instruction permits and motorcycle examination fees. The motorcycle safety education account is projected to be \$4.3 million in this current biennium which is an increase of \$200,000 or 4.9% over the prior forecast. The 2009-2011 biennium is expected to be \$4.2 million or \$422,700 (or 11.3%) higher than prior forecast. The higher level revenue is also expected to continue through the forecast horizon.

Figure 18 Short-term Driver Related Revenue Forecasts
June 2009 forecast
millions of dollars

	FY 2008	FY 2009	2007-09 Biennium	FY 2010	FY 2011	2009-11 Biennium
Total Highway Safety Fund	\$75.3	\$77.1	\$152.4	\$80.2	\$81.1	\$161.3
Drivers License Fees	58.1	58.1	116.2	61.0	61.7	122.7
Copies of Record Fees	14.7	16.7	31.4	16.9	17.2	34.1
Motor Vehicle Filing Fees	2.0	1.9	3.9	1.7	1.7	3.4
Fines & Forfeitures	0.3	0.4	0.7	0.4	0.4	0.8
Drivers License Schools	0.1	0.1	0.2	0.1	0.1	0.2
Total Motorcycle Safety Education Account	2.1	2.2	4.3	2.1	2.1	4.2
Total State Patrol Account	13.5	15.7	29.2	15.9	16.1	32.0
Total Driver Related Revenue	\$90.9	\$95.0	\$185.9	\$98.2	\$99.4	\$197.6
% Change from Prior Fcst			0.7%			0.7%

Other Transportation Related Revenue Forecast

The category of transportation related revenue forecasts consist of four primary components: vehicle sales and use taxes, rental car sales taxes, business and other revenue and aeronautics revenue.

Vehicle Sales and Use Tax

The forecast of US sales of light vehicles is 9.7 million for FY 2009 and this represents a decline of 26% from the FY 2008 sales level. This current forecast for FY 2009 is up slightly, 0.9% from the March forecast. US sales of light vehicles are expected to grow 17.9% between FY 2009 and FY 2010 and this is a decline of 2.6% from the prior forecast. In FY 2011, the growth in sales of light vehicles is projected to be 22% which is nearly the same growth rate as the prior forecast.

The forecast for vehicle sales and use taxes for the 2007–09 biennium has been decreased by \$1.5 million to \$62.5 million over the March forecast. This was due to a decline in the Global Insight forecast of the near term growth rate of consumer spending on motor vehicles and parts along with negative variance from the March forecast. Revenues for the remaining biennia are also down. In the upcoming 2009–11 biennium, revenues are forecasted to be down by \$6.3 million or 10% over the prior forecast. The decline in revenue in the subsequent biennia over the prior forecast is projected to slowly decline to 2% and remain at that percentage level throughout the remainder of the forecast horizon.

Rental Car Sales Tax

The forecast for rental car sales is projected to be \$46.9 million for the current biennium and this is an increase of \$404,102 or 0.9% over the prior forecast. In the 2009-11 biennium, the rental car tax is forecasted to be up to \$43.4 million which is an increase of \$1.15 million or 2.7% over the prior forecast. In the 2011-13 biennium, revenues are projected to be up \$327,291 over the prior forecast and then the subsequent biennia projections are declining revenues by 1.3% or less.

Business and Other Revenue

The business and other revenue category includes the following revenue sources:

- sales of property
- WSP and DOT services and publications and documents
- Filing fees and legal services
- Property management
- Other revenues

The June 2009 Motor Vehicle Account business and other revenue forecast for the current biennium is projected to be \$15.7 million and this is a reduction of \$443,673 or 2.75% over the March forecast. The largest single decline is a decrease of \$486,869 or 5% due to lower than anticipated sale of property.

The forecast for the 2009–11 biennium has an increase of \$1.1 million or 8% primarily due to an increase in property management fees of \$897,950 over the prior forecast.

Aeronautics Taxes and Fees

The aeronautics taxes and fees forecast of \$5.9 million includes both excise and fuel taxes. The aircraft registrations, excise and dealers' taxes are essentially not changed from the prior forecast. The aviation fuel tax is the largest component of this forecast. In this current forecast, the aviation fuel taxes are projected to decrease by \$446,300 or 8% from the March forecast for the 2007–09 biennium. In the 2009-11 biennium, the aviation fuel forecast has been lowered by 11.5% to \$5.06 million which represents a decline of \$660,300. This decline in the forecast is mainly due to lower than expected revenue collections to date and the weakening economy.

Figure 19 Short-term Other Transportation Related Revenue
June 2009 forecast

millions of dollars

	FY 2008	FY 2009	2007-09 Biennium	FY 2010	FY 2011	2009-11 Biennium
Rental Car Sales Tax	\$24.2	\$22.7	\$46.9	\$21.4	\$21.9	\$43.3
Vehicle Sales & Use Tax	35.5	26.9	62.4	27.2	31.3	58.5
Business/Other Rev	8.7	7.0	15.7	7.0	7.0	14.0
Aeronautics Taxes/Fees	3.4	2.6	5.9	2.9	2.9	5.8
Total Other Transportation Related Revenue	71.9	59.2	131.0	58.5	63.1	121.6
% Change from Prior Fcst			-1.5%			-3.8%

Ferry Revenue

For the current biennium, passenger ferry ridership is projected to be 12,518,200 which is a decline of 2.9% from 2008 ridership level. This is slightly higher passenger ridership forecast than was anticipated in the March forecast. Beyond the current biennium, the June 2009 Washington State Ferries passenger ridership demand forecasts reflect lower ridership demand over the forecast horizon due to downward revisions to real personal income and employment rates. Ferry passenger ridership is projected to be fairly flat between FY 2009 and FY 2010 at 0.1%, which reflects a reduction of -0.7% over the March forecast. For FY 2011, ferry ridership is expected to be up 2.3% year over year but down 1.2% from the prior forecast. For the remainder of forecast horizon passenger ferry ridership is down.

Vehicle/driver ridership is projected to be 9,919,800 for FY 2009 which is down 4.5% over 2008 ridership levels. This FY 2009 June vehicle/driver ridership forecast is revised upward by 1.6% over the prior forecast. In FY 2010, vehicle/driver ridership is up 5.8% on an annual basis and is up 0.4% from the prior forecast. In the subsequent fiscal years, vehicle/driver ridership is down from the prior forecast.

The baseline ferry forecast assumes a 2.5% fare increase each October. For the current biennium, ferry farebox revenue is projected to be \$292.7 million which is \$1 million higher than anticipated in the March forecast. In the upcoming 2009-11 biennium, ferry farebox revenue is down \$114,000 from the prior forecast. The miscellaneous ferry revenue is projected to be \$7.1 million in the current biennium which is an increase of \$569,000 or 8% over the prior forecast. In the 2009-11 biennium, miscellaneous ferry revenue is up \$1.2 million or 19% over the prior forecast. As a result, total farebox and miscellaneous revenue is up \$1.6 million in the current biennium over the March forecast. In the upcoming 2009-11 biennium, total ferry revenue is projected to be \$314.1 million and it is up \$1.1 million over the prior forecast.

Figure 20 Short-term Ferry Revenue
June 2009 forecast
millions of dollars

	FY 2008	FY 2009	2007-09 Biennium	FY 2010	FY 2011	2009-11 Biennium
Farebox Revenue	\$148.4	\$144.3	\$292.7	\$149.4	\$157.3	\$306.7
WSF Misc. Revenue	3.4	3.7	7.1	3.6	3.8	7.4
Total Ferry Revenue	\$151.8	\$150.0	\$299.8	\$153.0	\$161.1	\$314.1
% Change from Prior Fcst			0.5%			0.3%

Toll Revenue

The June forecast for TNB toll revenue has only one major difference from the March forecast. This difference is that the toll rate for FY 10 remains the same as the rates in FY 09, instead of increasing to \$4 with no ETC discount as was done in March. This is due to recent action taken by the Transportation Commission.

Tacoma Narrows Bridge

The June Tacoma Narrows Bridge toll revenue forecast incorporates new short-term traffic projections developed by the traffic and revenue consultant for the Tacoma Narrows Bridge. Average daily traffic is assumed to decline 0.4% from FY 08 to FY 09. This June forecast of traffic volume is higher than the prior forecast by 0.9%. Then traffic volume is expected to increase .4% between FY 09 and FY10 and this is an increase in the forecast from the March forecast by 2.6%. Growth in FY 11 and FY 12 is assumed to be 2.6% and 6.4% respectively, which is the same growth rate as the prior forecast. The average forecasted traffic growth rates, beyond FY 12, have not changed from the November 2008 forecast.

Toll collection for the Tacoma Narrows Bridge began on July 16, 2007. Participation in electronic toll collection (ETC) is estimated at a high 75% for weekday traffic, the average currently being experienced, up from 57% on opening day. From July 16, 2007 to June 30, 2008, the tolls were \$1.75/ETC per 2-axle vehicle and \$3.00/cash per 2-axle vehicle with per axle proportional tolls for multi-axle vehicles. Discounted rates apply for multi-axle vehicles with ETC. Toll rates for FY09 are \$2.75/ETC per 2-axle vehicle and \$4.00/cash per 2-axle vehicle. The toll rates for FY2010 have now been set by the Transportation Commission at \$2.75/ETC per 2-axle vehicle and \$4.00/cash per 2-axle vehicle. This is a change from the March 2009 forecast which assumed the Transportation Commission would raise the Tacoma Narrows Bridge toll rates to \$4.00/ETC per 2-axle vehicle and \$4.00/cash per 2-axle vehicle.

Total toll revenue is projected to be \$73.1 million in the current biennium, which is an increase of \$390,536 or 0.5% over the prior forecast. In the 2009-11 biennium, toll revenues are projected to be \$101.4 million, which is a decline from the prior forecast of \$12 million or 10.5% due to the Commission not increasing the toll rates to \$4.00/ETC per 2-axle vehicle. The future increases in toll rates in subsequent years are still contained in this June forecast so toll revenue in the outer biennia is not changed from the March forecast.

Fines and fees revenue are projected to be \$992,273 in the current biennium and this is an increase of \$83,435 or 8% over the prior forecast. In the 2009-11 biennium, fines and fees are down \$70,572 or 6.6% from the prior forecast. Sales revenue is projected to be \$1.4 million in the current biennium and this is up \$55,383 or 4% from the prior forecast. Total revenue on the Tacoma Narrows bridge is projected to be \$75.5 million which is up by \$529,354 or 0.7% over the prior forecast in the current biennium. In the 2009-11 biennium, total revenue is projected to be \$103.7 million which is a decline of \$12.1 million over the prior forecast.

SR 167 High Occupancy Toll Lanes Revenue

The projected traffic volume on the SR 167 HOT lanes is 387,000 in FY09, 598,000 in FY10, 847,000 in FY11 and 1,123,000 in FY12. This current forecast is an increase over the prior March forecast by between 6-8% between FY10-FY12. The total HOT lanes revenue projection for June is \$491,120 which is a decline of \$1,652 or 0.34% for the current biennium. In the 2009-11 biennium, total revenue is projected at \$1.52 million which is a decline of \$19,929 over the prior forecast.

Total Toll Revenue

Total revenue (toll, fines and fees and transponder revenue) is projected to be \$76 million in the current biennium which is a minimal increase, \$527,702, over the March forecast. In the 2009-11 biennium, the total revenue is projected to be down \$12 million below the March forecast because the new toll rates for FY 10 were not adopted by the Commission.

Figure 21 Short-term Toll Facility Revenue

June 2009 forecast

millions of dollars

	FY 2008	FY 2009	2007-09 Biennium	FY 2010	FY 2011	2009-11 Biennium
Tacoma Narrows Bridge						
Toll Revenue	\$29.7	\$43.4	\$73.1	\$43.3	\$58.1	\$101.4
Fines and Fees	0.5	0.5	1.0	0.5	0.5	1.0
Sales	0.8	0.6	1.4	0.6	0.6	1.2
HOT Lanes						
Toll Revenue	0.05	0.3	0.4	0.5	0.9	1.4
Fines and Fees	0	0	0	0	0	0
Sales	0.05	0.07	0.12	0.07	0.07	.14
Total Toll Facility Revenue						
Total	\$31.0	\$44.9	\$76.0	\$45.0	\$60.2	\$105.2
% Change from Prior Fcst			0.7%			-10.3%

Federal Funds

The June 2009 forecast for Washington's apportionment of Federal Highway Trust Fund receipts includes the December 11, 2008, apportionment notices for federal fiscal year (FFY) 2009 and the March 25, 2009 Obligation Authority notice for federal fiscal year (FFY) 2009. The June forecast of Washington's SAFETEA-LUE rescission amount has incorporated public law 110-224 enacted in 2008 which increased the national rescission amount to \$8.705 billion and the recently passed FY09 Omnibus Budget which added a new rescission of \$54 million for Washington. This June forecast has a lower rescission level of \$9 million than in the March forecast. Washington's portion of the \$8.705 billion rescission is estimated at \$180 million and is subject to change as final notices are released.

The June forecast for FFY 2010 is set at 80% of the FFY 2009 pre-rescinded level. FFY 2010 – FFY 2025 are projected to grow at a rate of 1.5% - 1% annually. In the forecast horizon, obligation authority is estimated at 90% of total apportionment. The program structure for FFY 2010 – FFY 2025 will remain the same as under SAFETEA-LU until a new surface transportation package is passed.

Figure 22 Washington's portion of Federal Highway Funds by Federal Fiscal Year

March 2009 forecast

millions of dollars

	FFY 2008	FFY 2009	FF 2010	FY 2011
WA Statewide Apportionment of FHWA Programs	641	421	531	538
Obligation Authority	624	612	478	484

The June forecast includes an alternative forecast based on the new FFY2010 budget request by President Obama on May 7, 2009. This new FFY 2010 federal budget increases highway funding by 2.1% over FFY 2009. Then the subsequent years forecast assumes a growth rate of 2%.

Forecast Contacts

Washington State Department of Transportation unless otherwise noted

Economic Variables and Fuel Price Forecast

Lizbeth Martin-Mahar, 360-705-7942 martinli@wsdot.wa.gov

Fanny N. Roberts, 360-705-7991 robertsf@wsdot.wa.gov

Motor Fuel Tax Revenue Forecast

Fanny N. Roberts, 360-705-7991 robertsf@wsdot.wa.gov

Motor Vehicle Licenses, Permits & Fees Revenue Forecast

Thomas L. R. Smith, 360-705-7941 smithtm@wsdot.wa.gov

Alice Vogel, Washington State Department of Licensing, 360-902-3986 avogel@dol.wa.gov

Driver Related Revenue Forecasts

Alice Vogel, Washington State Department of Licensing, 360-902-3986 avogel@dol.wa.gov

Robert A. Plue, Washington State Department of Licensing, 360-902-3643 rplue@dol.wa.gov

Jean Du, Washington State Department of Licensing, 360-902-3641 jdu@dol.wa.gov

Other Transportation Related Revenue Forecast

Vehicle Sales & Rental Car Tax

Lance Carey, Washington State Economic and Revenue Forecast Council, 360-570-6104
lancec@dor.wa.gov

Business and Other Revenue

Linda Howell, 360-705-7502 howell@wsdot.wa.gov

Aeronautics Revenue

Fanny N. Roberts, 360-705-7991 robertsf@wsdot.wa.gov

Alice Vogel, Washington State Department of Licensing, 360-902-3986 avogel@dol.wa.gov

Washington State Ferries Ridership and Revenue Forecast

Ray Deardorf, 206-515-3491 deardorf@wsdot.wa.gov

Toll Operations Traffic and Revenue

Jeff Caldwell, 360-705-6319 caldwej@wsdot.wa.gov

Federal Funds Forecast

Kasi Reeves, 360-705-7935 reevesk@wsdot.wa.gov